GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2083
ANSWERED ON:11.08.2006
REVIVAL OF IFCI
Sidhu Shri Navjot Singh

Will the Minister of FINANCE be pleased to state:

(a) whether Industrial Finance Corporation of India has recovered its Non Performing Assets fully and is now financially sound ;

(b) if so, the details thereof; and

(c) the steps being taken by the Government to support this financial institution and restore its lost glory ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAW AN KUMAR BANSAL)

(a) No, Sir.

(b) As on 31st March, 2006, the gross Nf As stood at Rs. 7,735 crore. The net NPAs (Gross NPAs minus provisions) as on 31st March,2006 stood at Rs. 667 crore.

(c) Government of India (Gol) has approved a financial package amounting to Rs. 5,220 crore for IFCI to meet the liabilities of IFCI on account of small and retail investors,foreign lenders and SLR bonds . Gol has; disbursed Rs. 2,922 crore up to 31st March,2006.However, Government of India does mot hold any shares in IFCI and accordingly it is for the Board of Directors to take further steps to improve IFCI`s financial position.